Claims 62-86 are pending in the application.

Claims 62, 76-77, and 86 are independent.

Claims 1, 36, 45, and 47-51 were rejected as being unpatentable over <u>Bonomi</u>, <u>Sugiyama</u>, <u>Nguyen</u>, and <u>Normille</u>, for the reasons detailed at pages 4-9 of the Office Action. In particular, the Examiner contends that the JP '083 priority application does not support the pending claims for the reasons detailed at pages 8-9 of the Office Action. Applicants respectfully traverse all art rejections.

The former claims have been canceled, and new Claims 62-86 have been added. The new claims are directed to the elected invention, are fully supported in the fourth the sixth to eighth embodiments of the subject application, and are fully supported in the JP '083 priority application. Accordingly, it is respectfully submitted that <u>Bonomi</u> is unavailable as a reference against the pending claims.

With respect to independent Claims 62 and 76, none of <u>Sugiyama</u>, <u>Nguyen</u>, and <u>Normille</u> discloses or suggests structure or function wherein, when image data (encoded by using intra-picture coding and inter-picture coding) is image-edited, decoding is first performed, and the decoded image data is again intra-picture encoded and stored in a memory, and the stored image data is then decoded and image-

edited. Accordingly, these claims (and their dependent claims) are fully patentable over the cited art.

With respect to independent Claim 77 and 86, none of Sugiyama, Nguyen, and Normille discloses or suggests structure or function whereby, when image data (which was encoded using intra-picture coding and inter-picture coding, and which includes a picture subjected to the intra-picture coding in a circle of a predetermined number of pixels) is image-edited, the image data is decoded in units of the predetermined picture in accordance with an editing instruction, and the decoded image data is then edited. According to this feature, it is possible to prevent image deterioration (because the image on which the encoding was performed is changed in the editing process) at the time when the inter-picture encoded image data existing immediately after the editing process period is restored.

In view of the above amendments and remarks, it is believed that this application is now in condition for allowance and a Notice thereof is respect the requested.

Applicants' undersigned attorney may be reached in our Washington, D.C. office by telephone at (202) 530-1010. All correspondence should continue to be directed to our address given below.

Respectfully submitted,

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